



GEORGIA BUILDING AUTHORITY

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Chairman
Sonny Perdue
Governor

Executive Director
Steven L. Stancil

MINUTES

GEORGIA BUILDING AUTHORITY MEETING

WEDNESDAY, SEPTEMBER 9, 2009

OFFICE OF THE GOVERNOR – ROOM 203 STATE CAPITOL

Members in attendance:

Governor Sonny Perdue, Chair
Karen Handel, Secretary
Greg Griffin, Member
Dan Ebersole, Member
James Talley, Jr., Citizen Member
Kent Alexander, Citizen Member
Dr. George Snelling, Citizen Member

Others in attendance:

Steven Stancil, State Property Office
Marvin Woodward, State Property Office
Kevin Clark, Governor's Office
Bert Brantley, Governor's Office
Angela Gunter, Georgia Finance and Investment Commission
Katy Pando, Georgia Finance and Investment Commission
Steve Fanczi, Georgia Building Authority
Alisa Pereira, Georgia Building Authority
Carla Blanks, Georgia Building Authority
April King, Georgia Building Authority
Lisa Payne, Georgia Building Authority
Shannon McGhee, Department of Law
Keilani Kimes-Parker, Department of Law
Rod Bowlden, State Properties Commission
Frank Smith, State Properties Commission
J Wade, State Properties Commission

CALL TO ORDER AND MINUTES OF PREVIOUS MEETING (05/21/09)

The Governor convened the meeting of the Georgia Building Authority (GBA). He stated the first order of business was the approval of the previous minutes from the May 21, 2009 board meeting. Kent Alexander made a motion to approve the minutes as presented and Karen Handel seconded the motion. Without further discussion all were in favor and the motion carried unanimously.

APPROVE BOND RESOLUTION FOR THE GEORGIA BUILDING AUTHORITY

The Governor requested Steve Stancil to address the first agenda item.

Mr. Stancil asked the members to approve the resolution for the sale of general obligation bonds for GBA projects. During the last session of the General Assembly, \$9,125,000 in General Obligation Bonds was approved for various projects. At this time, GBA is asking for \$6,395,000 of the bonds to be used to correct facility deficiencies at the 90 Central Parking Deck, 2 Peachtree Building and other Capitol Hill Buildings. GBA is also requesting \$500,000 of the bonds for planning and programming for the Judicial System.

The Governor asked the members for a motion to approve. Kent Alexander made the motion for approval, and George Snelling seconded the motion. There was no further discussion or questions, and the motion carried unanimously.

DISCUSSION OF THE SALE OF THE 1200 TRADEPORT PROPERTY

Frank Smith, State Properties Commission (SPC), presented to the board for discussion the sale of the 1200 Tradeport (Tradeport) property. Overall this property was found to be a non-core facility meaning it was rated as having little strategic value based on condition and location for the Building Authority. The staff of both GBA and SPC believes that a sale/lease back package would be advantageous to both GBA and Department of Revenue (the agency user of the building). The sale/lease back scenario would provide cash flow for GBA, and the Department of Revenue would get an improved building (a new roof and other building renovations). This is seen to be a win-win situation in difficult economic times for sales. This is information for the board and no action is needed at this time. Presentation of bids and a recommendation for approval of a winning bid will be presented to the Authority members at a later date.

The Governor advised that the state has gone through the cultural change of owning buildings, and it was his belief the private sector does a better job from a market perspective of building maintenance and providing upgrades at a lower cost.

Dr. Snelling inquired, if this transaction was considered an institutional grade sale or a private sale. He advised that, if it was a private sale, a 15-year lease might be a more profitable offer compared to a 10-year lease and might allow for an easier and quicker sale.

The Governor instructed the State Properties Commission to get together with Dr. Snelling at a future date and discuss these issues and ideas for marketing this property.

APPROVE RESOLUTION OF THE GEORGIA BUILDING AUTHORITY FY10 OPERATING BUDGET

Steve Stancil presented the FY 2010 GBA operating budget as required by the GBA Bylaws in the first quarter of the fiscal year. The GBA operating budget is \$34,315,000. GBA is doing their part in furloughing and making budget cuts. He publicly thanked his staff for working hard in watching the GBA budget dollars.

The Governor remarked about agencies downsizing space, and its effect on GBA's rental income. It was acknowledged that agencies are taking into account unused square footage, thereby reducing usage of utilities. Overall, it is the right thing to do.

Karen Handel asked about the increase in the GBA budgeted salary figures. April King, GBA CFO, explained that the difference was in the lapse factor which was \$1.2 million that was taken from the \$8.5 million which had to be reported to OPB.

Mr. Stancil explained that the SPC does not have a stream of revenue and must be funded by GBA. Their budget was \$1.4 million last year, and GBA will be asking for another \$500,000 to be added this year. He also said he would be asking for legislation for multiyear leases and will ask for a share in any real estate commission on brokerage deals. The hope is for SPC to become self-funded.


Kent Alexander inquired about the increase in the GBA insurance and bonding. Mr. Stancil replied that the Department of Administrative Services Risk Management set those rates. April clarified that the increase in rates was due to a comprehensive review of the GBA buildings and contents which were found to be undervalued. Mr. Stancil assured the Board that Steve Fanczi, Deputy Director of GBA, would be looking closely at DOAS Risk Management insurance rates.

The Governor asked the members for a motion to approve. Dan Ebersole made the motion to approve, and Kent Alexander seconded. Motion carried.

The Governor asked if there was further discussion or questions. Kent Alexander responded that, for the record, he assumed that the two projects funded by the General Obligation Bonds were top priority for GBA. He requested the minutes reflect that all the projects were considered by GBA. Mr. Stancil replied that those identified were the most pressing. The Governor interjected that there was not a lot of flexibility once bond obligation goes through the appropriation process.

ADJOURNMENT

Governor Perdue asked for those in favor of adjourning the meeting and the motion passed unanimously by all members present.



Steven L. Stancil
Executive Director